

SECURITY INFORMATION

1. Prospects for settlement of the political problem of Indochina are even poorer than those for ending the war. Most of the people, similarly to those of India, Burma and Indonesia, are deeply resentful of any appearance of colonial control. The French presence, on the other hand, is necessary to prevent the country from succumbing to the Communist Viet Minh and the French will not, primarily because of metropolitan political considerations, <sup>categorically</sup> promise the Vietnamese complete independence. *derived from this*

2. Indochina consists of three associated states of Vietnam, Cambodia and Laos. Vietnam is by far the most important; it is the scene of most of the fighting as well as the place where the political issues are most sharply drawn. In Cambodia, a genuine nationalist movement has made its beginnings. Although this movement poses no threat to the existing monarchy and its French protectors, signs of widespread popular unrest are evident. Laos is an extremely backward country. It is in effect run by the French and there is little native criticism of this situation.

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3. French policy in Indochina has two principal aims. One is to withstand Communist aggression, which in Indochina for the moment means the Viet Minh rebellion. The other is the retention of the three Indochinese States as members of "the French Union."

4. Regarding the first aim, the French are now providing a large part of the money and technical leadership necessary to withstand the Viet Minh. <sup>This</sup> ~~The Indochina~~ war imposes a painful burden on France. Minister for the Associated States Letourneau on 16 December told the Atlantic Council that France has lost 90,000 killed, wounded or missing from 1945 to October 1952. Moreover, he stated, France has 26 percent of its officer corps and 37 percent of its noncommissioned officer corps in Indochina. Other French officials have claimed that officer casualties in Indochina annually exceeds the number of St. Cyr graduates. From the financial standpoint Indochina accounts for \$1,250,000,000 of the total French military budget of \$4,000,000,000. United States aid for the 1953 military effort in Indochina is expected to reach \$777,000,000, of which \$430,000,000 would be budgetary support. The French claim that the Indochina war has cost them \$4,777,000,000 since 1945. For comparison, the total post-war American aid to France is <sup>in excess of</sup> \$7,000,000,000.

5. Militarily, this war requires a large portion of France's most experienced soldiers at a time when these officers and non-coms are needed to build France's European Army. In

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terms of over-all fighting strength the burden is less acute: Indochinese troops represent about 75% of the total personnel. Without the leadership, money, and troops currently provided by France, however, resistance to the Viet Minh would quickly collapse. This fact is generally recognized by anti-Communist Vietnamese.

6. In order to combat the Viet Minh more effectively, and with a view to eventually withdrawing the bulk of French forces from Indochina, the French have encouraged greater native

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participation in the anti-Viet Minh effort and have taken halting steps toward the creation of a Vietnam National Army.

7. The second aim of French policy in Indochina is the retention of the three Indochinese states as Associated States or mature members of the "French Union." Generally speaking, the term Associated States implies greater internal autonomy for the overseas states. The French, however, expect to retain dominant direct and indirect influence in the fields of defense, foreign relations, and trade. To the French, the Union concept is their best insurance to offset continental France's declining Great Power status.

8. The special privileges in Indochina which France enjoys through agreements with Bao Dai provide that military command will remain in French hands, that France will retain certain military bases, and that the economic life of Indochina will be largely regulated in accordance with French needs.

9. The French have so far refused to promise full independence, arguing that further political concessions, if any, must wait for peace and that the Vietnamese are not as yet making full use of the autonomy already granted. The Vietnamese suspect that the French Union limits their nationalist aspirations, and want membership only on the basis of real equality.

10. In Indochina, during the past several decades, occasional attempts to organize armed rebellion against the French ended in bloody failure. Only after Japan swept the French aside in 1945 did opportunity arise for seizure of power.

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11. Temporary seizure was accomplished immediately after the war by the Viet Minh, whose most influential leaders were Communists, but whose popular appeal lay entirely in anti-French nationalism. Communist control of the Viet Minh is now complete, but overt adoption of the Communist line did not begin until mid-1949.

12. The Viet Minh now has lost a good deal of the popular appeal which it once enjoyed. Politically, one of the great weaknesses of the Viet Minh is its reliance, for arms and advice, on the Chinese Communists. This is a weakness partly because of the alien quality of Communism to them, but more so because <sup>of</sup> the Vietnamese historical hatred for the Chinese.

13. Moreover, the Viet Minh has come to rely increasingly on force rather than persuasion. It is commonly estimated that about 80% of the Vietnamese who are fighting in Viet Minh ranks are simple nationalists, who have no love for the Viet Minh or Communism, but who believe that the first order of business is the expulsion of the French. In view of the Viet Minh's effective police network, however, there is no threat whatever to Communist control, nor is it likely that <sup>a</sup> ~~the~~ rebellion will occur in the near future.

14. In the areas from which the Viet Minh has been driven militarily, the French have sought to encourage political regimes under direction of anti-Communist Vietnamese. This process

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began more than seven years ago and gained momentum with the inauguration of the Bao Dai regime in 1949.

25. The international status of the Vietnamese Government <sup>described as</sup> is that of "independence within the French Union." This status has been partially defined in a series of French-Vietnamese accords which confer on the French final authority in military matters and a veto power over decisions affecting their economic interests. The suspicion of other Asian states as to the degree of Vietnamese independence is evidenced by the fact that only Thailand has established diplomatic relations.

26. The government of Vietnam is provisional and still in the formative stage. It is headed by Bao Dai, former emperor of Annam, who as a quasi-monarchic chief of state appoints the premier. Both Bao Dai and the premier have cabinets of their own; there is no legislature; competent administrators are scarce, and most government agencies are controlled by French advisers. The French High Commissioner with his Commissariat in Saigon rounds out this picture of complicated and overlapping political organization and authority.

27. This lack of clearly defined spheres of responsibility is illustrated in the position of Bao Dai. His title is Chief of State, but it has never been determined what powers this title implies. Under the original agreement which Bao Dai signed with the French in 1949, Vietnam's constitution would

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be determined by some sort of popular referendum, but it has increasingly become the habit of Bao Dai to think of himself as once again the Emperor of Vietnam. In this tendency he has received full encouragement from the French *despite the fact that* ~~inasmuch as~~ there is no real monarchist movement in Vietnam. ~~It is evident that the French expect to derive some advantage from Bao Dai's absolutist tendencies.~~

28. One important consequence of Bao Dai's power is the frustration of local demands for more representative government. Bao Dai fears, rightly, that democratic elections would cut into his own power. The present government has no popular mandate. The formation and dissolution of cabinets is the result of an interplay of influence among the prime minister, Bao Dai, and the French. Vietnam still has no national assembly, the nearest thing to it being what is known as a provisional national council, a body whose members are appointed by the government and who have only consultative powers.

29. Nevertheless, there have been some developments during the past few months which warrant faint optimism. One of these was the appointment last November of Nguyen Huu Tri to the governorship of Tonkin. Tri is a nationalist who holds the respect of both the French and the Vietnamese people and has already made some progress in Tonkin toward reconciling French policy and Vietnamese nationalism.

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30. Also, the present premier, Nguyen Van Tam is a vigorous administrator and has initiated certain social and economic reforms. Recently, he conducted the first elections ever to be held by a Vietnamese government, <sup>These were</sup> to choose municipal councils. ~~and~~ these elections provoked widespread popular interest and drew into political life certain able Vietnamese who had hitherto held aloof from participation in government.

31. Despite these favorable developments, however, the Vietnamese largely remain strongly resentful of French authority and influence. The recent elections demonstrated that in Tonkin where the Viet Minh threat is the most serious, the most effective political campaigners were more critical of both the French and the Vietnam government *rather than of the VM.*

32. These critical attitudes toward the Vietnam government are reflected in the failure either to attract substantial numbers of defectors from the Viet Minh or to create a popular antagonism toward Ho Chi Minh's movement.

33. This problem is most acute in the Red River delta of Tonkin. There, the nominal French perimeter is literally honeycombed with Viet Minh dugouts and entrenchments. Thousands of villages are under more or less uncontested Viet Minh control and the majority of villages are subject to some degree of Viet Minh terroristic or propaganda pressure. The French are capable of moving into any given area in the delta and



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eliminating outward signs of Viet Minh authority. But as French forces in each case are withdrawn for operations elsewhere and, in the absence of an effective local security force, the reassertion of Viet Minh authority commences.

24. This situation underlines the desirability of the development of a Vietnam National Army. Manpower limitations have undoubtedly contributed largely to France's inability to defeat the Viet Minh. [REDACTED]

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25X1C8b [REDACTED] concluded that a victory over the Viet Minh could be achieved by the commitment from France of two additional divisions, always provided that this was not balanced by Chinese Communist reinforcement on the Communist side. The French state, however, that they cannot divert any more troops to Indochina and say they will try to solve the problem by building a Vietnam National Army.

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35. This army, established in principle on 8 March 1949, now numbers some 58,000 men organized into 60 battalions plus an additional 82,000 in local guard and auxiliary units. For the most part it consists of native troops transferred from the French Army and its auxiliary forces, rather than newly recruited personnel.

36. Expansion has been severely hampered by shortages of trained cadres, experienced Vietnamese senior officers, funds and, until American military aid was committed, equipment of all categories. There is an inadequate program for training company-grade and noncommissioned officers, and the only school for senior officers was recently suspended on the ground that all personnel were needed in combat.

37. With regard to funds, large amounts could be saved by building up the Army with low-salaried conscripts instead of highly-paid volunteers. Although money is not currently available from either French or Vietnamese sources to pay the additional battalions envisioned, the French oppose conscription, probably because its introduction would end the unrestricted recruiting of native troops which the French now engage in for their own army.

38. The Vietnamese have shown no willingness to impose the austerity that would provide the maximum funds for defense. Bao Dai himself appropriates about \$4 million annually to his personal account. The French, for their part, have obstructed

efforts by the Vietnamese to increase taxes when their burden might be borne largely by French interests in Indochina.

39. On 20 February, however, French and Vietnamese authorities announced that agreement had been reached in the activation during 1953 of 54 light battalions in addition to 9 battalions previously scheduled. According to the Vietnamese account of the conference at which this agreement was reached, the French rebuffed their efforts to assume more military responsibility in specific areas and offered no comment on a Vietnamese project for additional troop strength in 1954. On the other hand, Minister Letourneau, whom Ambassador Haeth is inclined to believe, says the Vietnamese evaded military responsibilities which the French tried to press on them and failed to present detailed plans for a buildup in 1954. Planning for a very significant numerical increase is, however, going forward.

40. That the combat capability of the Vietnam Army may not increase commensurately with its numbers is suggested by the problem of low morale in existing units. This condition which has resulted in a high desertion rate and a noticeable lack of combat spirit comes from general antipathy toward the French which is aggravated by resentment over tight French control throughout the Vietnamese military establishment.

41. There are grounds for suspicion that this control is maintained not only because of the real shortage of qualified Vietnamese officers, but ~~because of the real~~

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because of a French fear, probably well-founded, that an effective Vietnamese-controlled army would threaten the French position. This would not take the form of mass defection to the Viet Minh but the Vietnam Government would back up with troops its demands for full independence. This apparent fear may well account in part for the sporadic and hesitant French effort to date in speeding the development of the Vietnam Army.

32. Another possible deterrent may be French fear that the development of a Vietnam Army capable of defeating the Viet Minh would have a provocative effect on the Chinese Communists. Fear of Chinese Communist intervention constantly affects French thinking; it appears to be the explanation for a noticeable lack of aggressiveness in the French High Command, and is also evidenced in their extreme reluctance to permit the repatriation of some 15,000 interned Chinese Nationalist troops. Peiping recognized the Viet Minh regime in January 1950. They began covert aid in early 1951 and since then have trained whole Viet Minh units in China and Tonkin, assigned several thousand technical and military advisers and supplied a wide variety of military materiel. It is estimated that during recent months, the Chinese have been shipping 500 to 1,000 tons per month, with an accelerated program between 25 January and 15 February.

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43. The Chinese Communists probably have the capability to commit and support logistically 150,000 Chinese Communist troops for an invasion of Indochina. This capability will not be materially affected by the continuation of Chinese Communist operations within Korea at current or expanded levels. There is no present indication, however, that the Chinese Communists will invade Indochina or introduce large numbers of combat troops in the guise of volunteers.

44. In conclusion, speaking broadly, we see a picture of stalemate which actually appears to favor World Communist objectives. Either a French defeat or a French victory would end the drain on France's manpower and resources and permit its strengthening as a NATO partner. Yet a break in the military stalemate seems dependent on solution of the political conflict and none is in sight.

45. The Vietnamese are in general adamant in their refusal to cooperate unless they are granted unequivocal guarantees of independence. The French, however, apparently hope to hold on as they are currently, while shifting an increasing share of the financial and military burden to the U. S. They apparently hope for a general settlement of Far Eastern problems, in some unknown way, <sup>which</sup> will result in their retention of certain privileges in Indochina.